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October 10, 2003

Bryant L. VanBrakle  
Secretary  
Federal Maritime Commission  
800 North Capitol Street, NW  
Washington, DC 20573

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FEDERAL MARITIME COMMISSION

Dear Commissioners:

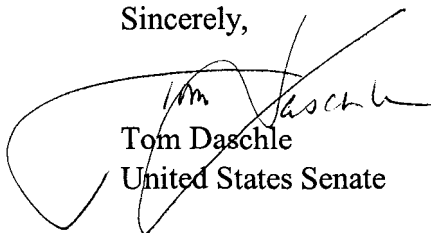
It is my understanding that several Non-Vessel Operating Common Carriers (NVOCCs) have requested that the Commission permit them to enter into confidential service contracts with their shipper-clients for the ocean transportation of cargo. Due to the operational characteristics of these NVOCCs and the current U.S. ocean shipping industry, I urge you to give every consideration to their request.

Currently, a company that owns vessels is permitted to write confidential service contracts, while other companies that are classified as NVOCCs must make their rate structure known through the publication of tariffs. When this regulation was implemented, the majority of NVOCCs were smaller companies that should operate under a tariff system in order to protect shippers and guarantee liability. However, changes in the U.S. shipping industry have resulted in consolidation among many ocean carriers, which has made it difficult for U.S. companies to stay competitive.

The petitioners believe that under the Ocean Shipping Reform Act (OSRA), the Federal Maritime Commission has the authority to review or grant such exemptions, and it is my hope that the Commission will work to ensure that all NVOCCs will have every opportunity to compete on a level playing field.

With best wishes, I am

Sincerely,

  
Tom Daschle  
United States Senate